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background notes

Italy

United States Department of State
Bureau of Public Affairs

May 1989

Official Name:
Republic of Italy

PROFILE

Geography

Area: 301,225 sq. km. (116,303 sq. mi.); about the size of Georgia and Florida combined. **Cities:** *Capital*—Rome (pop. 2.8 million). *Other cities*—Milan, Naples, Turin. **Terrain:** Mostly rugged and mountainous. **Climate:** Generally mild Mediterranean; cold northern winters.

People

Nationality: *Noun and adjective*—Italian(s). **Population** (mid-1988): 57.4 million. **Annual growth rate** (1988): .2%. **Ethnic groups:** Primarily Italian, but small groups of German-, French-, Slovene-, and Albanian-Italians. **Religion:** Roman Catholic. **Language:** Italian. **Education:** *Years compulsory*—8. *Literacy*—98%. **Health:** *Infant mortality rate* (1987)—9.6/1,000 live births. *Life expectancy*—73 yrs. **Work force** (1988, 24 million; employed 21.1 million): *Agriculture*—10%. *Industry and commerce*—32%. *Services*—58%.

Government

Type: Republic since June 2, 1946. **Constitution:** January 1, 1948. Kingdom of Italy proclaimed March 17, 1861.

Branches: *Executive*—president (chief of state), Council of Ministers (cabinet), headed by the president of the council (prime minister). *Legislative*—bicameral parliament; 630-member Chamber of Deputies, 322-member Senate. *Judicial*—independent constitutional court and lower magistracy.

Subdivisions: 94 provinces, 20 regions.

Political parties: Christian Democratic, communist, socialist, Italian Social Movement, Social Democratic, Republican, Liberal.
Suffrage: Universal over 18.

Defense (1988*): 2.1% of GDP.

Flag: Three vertical bands—green, white, and red.

Economy

GDP (1988*): $825.6 billion. **Per capita income** (1988*): $14,383. **Avg. inflation rate** (last 4 yrs.): 6%. **Annual GDP growth:** 3.9%.

Natural resources: Fish, natural gas.

Agriculture: *Products*—wheat, rice, grapes, olives, citrus fruits.

Industry: *Types*—automobiles, machinery, chemicals, textiles, shoes.

Trade (1988*): *Exports* (f.o.b.)—$128.4 billion: machinery and transport equipment, textiles, foodstuffs, chemicals, footwear. *Imports* (c.i.f.)—$138.3 billion: machinery and transport equipment, foodstuffs, ferrous and nonferrous metals, wool, cotton, petroleum. *Major trade partners* (1988*)—F.R.G. 20%, France 16%, U.K. 7%, U.S. 7%, U.S.S.R. 2%, OPEC 5%.

Exchange rate (1988, fluctuates) 1,302 lire = U.S.$1.

Membership in International Organizations

UN and some of its specialized and related agencies, NATO, Organization for Economic Cooperation and Development (OECD), European Community (EC), Western European Union, Council of Europe, INTELSAT.

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* 1988 figures are estimates.

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Italy
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International airport
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Bolzano
Tarvisio
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Padova
Torino
Piacenza
Parma
Pula
Genoa
Bologna
Ravenna
Savona
La Spezia
Rimini
Monaco
Ligurian Sea
Pisa
Livorno
Florence
San Marino
Ancona
Adriatic Sea
Siena
Perugia
Terni
Pescara
Civitavecchia
Rome
Foggia
Barletta
Bari
Olbia
Porto Torres
Sassari
Napoli
Salerno
Brindisi
Taranto
Otranto
Sardinia
Tyrrhenian Sea
Oristano
Cagliari
Ionian Sea
Messina
Trapani
Palermo
Reggio di Calabria
Mediterranean Sea
Catania
Agrigento
Siracusa
Sicily
42
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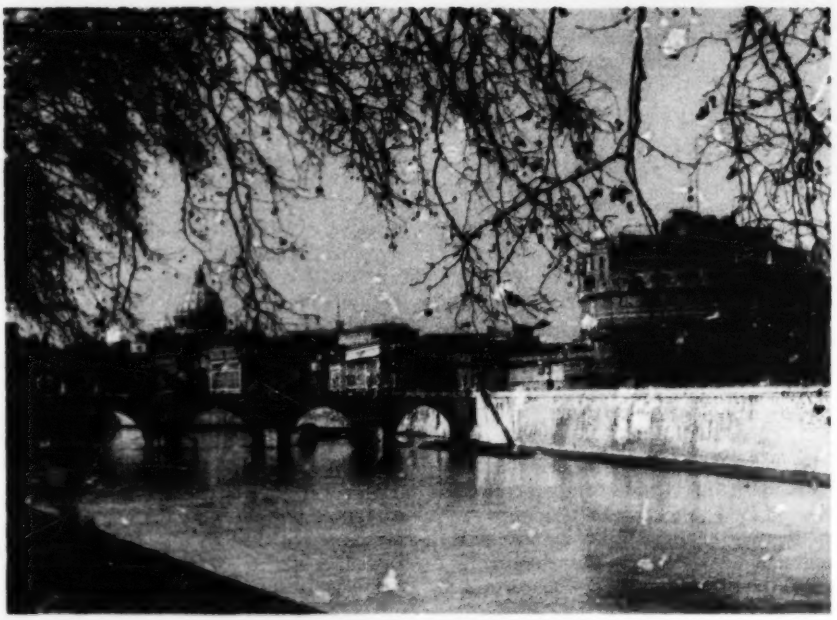
Boundary representation is not necessarily authoritative

GEOGRAPHY

Italy is a 1,127-kilometer-long peninsula (700 mi.) extending into the Mediterranean Sea. On the west and south it includes the large islands of Sardinia and Sicily, Pantelleria, and the Eolian (Lipari) group. Throughout history, Italy's position on the main routes between Europe, Africa, and the Near and Far East has given it great political, economic, and strategic importance. The peninsula is 69 kilometers (43 mi.) from Albania, and Sicily is 145 kilometers (90 mi.) from the African mainland.

Except for the Po Valley area in the north, the heel of "the boot" in the south, and small coastal areas, Italy is rugged and mountainous. The climate is generally mild and Mediterranean, but there are wide variations. Sicily and the south are comparable to southern California, though usually warmer. The Alps and northern Dolomites have a climate similar to Colorado but more humid.



Looking along the Tiber River, Rome, toward Castel Santa Angelo and St. Peter's Basilica.

PEOPLE

Italy is linguistically and religiously homogeneous but culturally, economically, and politically diverse. Political power is divided among eight or more political parties, ranging from neo-Fascist to communist.

Italy has the fifth highest population density in Europe—about 200 persons per square kilometer (490/sq. mi.). Minority groups are small; the largest are the German-speaking people of Bolanzo Province and the Slovenes around Trieste. Other groups comprise the ancient communities of Albanian, Gree, Ladino, and French origin. Although Roman Catholicism is the official religion—99% of the people are nominally Catholic—all religious faiths are provided equal freedom before the law by the constitution.

Italian culture flowered in the Renaissance during the 14th and 15th centuries. Literary achievements—such as Dante's *Divine Comedy* and Petrarch's sonnets; the philosophies of St. Thomas Aquinas and Galileo Galilei; and painting, sculpture, and other fine arts, such as the works of Leonardo da Vinci, Raphael, Botticelli, Fra Angelico, and Michelangelo—exerted a tremendous and lasting influence on the development of Western civilization. In the 19th century, Italian romantic opera flourished through composers Gioacchino Rossini, Guiseppe Verdi, and Giacomo Puccini, and their tradition continued well into the 20th century. Opera is still a national passion. Contemporary Italian artists, writers, filmmakers, architects, composers, and designers make significant contributions to Western culture.

HISTORY

Modern Italian history dates from 1870 with the unification of the entire peninsula under King Victor Emmanuel II of the House of Savoy. From 1870 until 1922, Italy was a constitutional monarchy with a parliament elected under limited suffrage.

During World War I, Italy denounced its standing alliance with Germany and Austria-Hungary and in 1915 entered the war on the side of the Allies. Under the postwar settlement, Italy received some former Austrian territory along the northeast frontier. In 1922, Benito Mussolini came to power and, over the next few years, eliminated the old political parties, curtailed personal liberties, and installed a Fascist dictatorship called the Corporate State. The king, with little or no power, remained titular head of state.

During World War II, Italy allied with Germany and declared war on the United Kingdom and France in 1940. Following the allied invasion of Sicily in 1943, Italy became a cobelligerent of the Allies against Germany. A noteworthy popular resistance movement was conducted against the remaining Germans, who were driven out in April 1945. The monarchy was ended by a 1946 plebiscite, and a constituent assembly was elected to draw up plans for the republic.

Under the 1947 peace treaty, minor adjustments were made in Italy's frontier with France; the eastern border area was transferred to Yugoslavia; and the area around the city of Trieste was designated as a free territory. In 1954, the free territory, which had remained under the administration of U.S.-U.K. forces (Zone A, including the city of Trieste) and Yugoslav forces (Zone B), was divided between Italy and Yugoslavia, principally along the zonal boundary. This arrangement was made permanent by the Italian-Yugoslav Treaty of Osimo, ratified in 1977. Under the 1947 peace treaty, Italy also gave up its overseas territories and certain Mediterranean islands.

The Roman Catholic Church's position in Italy, since its temporal powers ended in 1870, has been governed by a series of accords with the Italian Government. Under the Lateran Pacts of 1929, which were confirmed by the present constitution, the Vatican City state is recognized by Italy as an independent, sovereign state. While preserving that

recognition, in 1984 Italy and the Vatican updated several provisions of the 1929 accords. Included was the end of Roman Catholicism as Italy's formal state religion.

GOVERNMENT

Italy has been a democratic republic since June 2, 1946, when the monarchy was abolished by popular referendum. The constitution, promulgated January 1, 1948, established a bicameral parliament, a separate judiciary, and an executive branch composed of a Council of Ministers (cabinet) and headed by the president of the council (prime minister). The Council of Ministers—in practice, composed mostly of members of parliament, must retain the confidence of both houses. The president of the republic is elected for 7 years by the parliament sitting jointly with a small number of regional delegates. The president nominates the prime minister, who chooses the other ministers.

Except for a few senators, both houses of parliament are popularly and directly elected by proportional representation. In addition to 315 elected members, the Senate includes former presidents and several other persons appointed for life according to special constitutional provisions. Both houses are elected for a maximum of 5 years, but either may be dissolved before the expiration of its normal term and early elections called. Legislative bills may originate in either house and must be passed by a majority in both.

The Italian judicial system is based on Roman law, modified in the Napoleonic code and subsequent statutes. There is only partial judicial review of legislation in the American sense. A constitutional court, which passes on the constitutionality of laws, is a post-World War II innovation. Its powers, volume, and frequency of decisions are not as extensive as those of the U.S. Supreme Court.

The Italian state is highly centralized in form. The prefect of each of the 94 provinces is appointed by, and is answerable to, the central government. In addition to the provinces, the constitution provides for 20 regions with limited governing powers. Five regions with special statutes—Sardinia, Sicily, Trentino-Alto Adige, Valle d'Aosta, and Friuli-Venezia Giulia—have long been functioning. The other 15 regions, however, were not established and did not vote for their first regional "councils" (parliaments) until 1970. The establishment of regional governments throughout Italy is bringing about greater decentralization of the national governmental machinery.

La Scala Opera House, Milan.

Principal Government Officials

President—Francesco Cossiga
Prime Minister—Ciriaco De Mita

Ambassador to the United States—
Rinaldo Petrignani

Italy maintains an embassy in the United States at 1601 Fuller Street NW., Washington, D.C. 20009 (tel. 202–328–5500).

POLITICAL CONDITIONS

Italy has about a dozen political parties, some extremely small. The following are the most important, in order of their approximate strength in the Chamber of Deputies deriving from the last general elections in 1987.

- The Christian Democratic Party (DC), descendant of the Popular Party of the pre-Fascist era, has been the core of all postwar governments. It represents a wide range of interests and views, which sometimes make it difficult to reach agreement on specific issues. The party polled 34.3% of the popular vote in 1987. Party Secretary: Arnaldo Forlani. Official newspaper: *Il Popolo.*
- The Italian Communist Party (PCI), the largest communist party in Western Europe, once supported almost regularly Soviet foreign policy and has taken pro-labor, reformist stances in domestic affairs. In 1987, it won 26.6% of the popular vote. Secretary General: Achille Occhetto. Newspaper: *L'Unita.*
- The Italian Socialist Party (PSI) has moved toward the center of the Italian political spectrum under the leadership of Party Secretary Bettino Craxi. It polled 14.3% of the 1987 vote. After the 1983 parliamentary elections, Craxi became the first socialist prime minister in Italy's history, heading a government composed of Christian Democrats, Republicans, Liberals, and Social Democrats. Party Secretary: Benedetto (Bettino) Craxi. Newspaper: *Avanti!*
- The Italian Social Movement (MSI), on the right, has older members imbued with the traditions of fascism. The movement polled 5.9% of the popular vote in 1987. Political Secretary: Gianfranco Fini. Newspaper: *Il Secolo.*
- The small Italian Republican Party (PRI) traditionally has supported republican institutions and polled 3.7% of the vote in 1987. Party Secretary Giovanni Spadolini became the first non-DC prime minister of the postwar era in June 1981. Party Secretary: Giorgio La Malfa. Newspaper: *La Voce Repubblicana.*

• The Italian Social Democratic Party (PSDI) polled 3.0% of the vote in 1987. Party Secretary: Antonia Cariglia. Newspaper: *Umanita*.

• The Italian Liberal Party (PLI) reflects classical European liberalism in the sense of an orientation toward capitalism, individualism, and free enterprise in contrast to statism. The PLI has evolved into a small but widely respected party of conscience occupying a center-right niche in the Italian political spectrum. They received 2.9% of the popular vote in 1983 and 2.1% in 1987. Secretary: Renato Altissimo.

• The Radical Party has formally adopted the name "European Federalists." The party secretaryship is held for a 6-month period by various members of the party leadership. The party has helped influence social change in Italy by sponsoring referenda such as divorce and abortion. It garnered 2.6% of the vote in 1987.

• The Greens Party entered parliament for the first time in 1987 with 13 deputies and one senator. The party, which campaigned on an antinuclear and environmentalist platform, won 2.5% of the vote. The Greens are a loosely organized alliance of environmentalist and peace groups and have resisted the label of "political party."

Postwar Conditions

Despite frequent government turnovers, the Italian political situation has been relatively stable, principally because of the continuity of the DC as Italy's party of relative majority. Italian governments have consistently been oriented around the DC, which since 1945 has governed in coalition with other parties or alone. Three DC leaders—the late Premier Alcide De Gasperi, former Premier Amintore Fanfani, and the late Premier Aldo Moro—dominated the Italian political scene for most of that time.

From 1947 to the late 1950s, Christian Democrats led a series of "center" coalition alignments with the Social Democrats, Republicans, and Liberals. During the 1960s, in an effort to expand the "democratic area" and promote reform legislation, the Christian Democrats pursued a "center-left" policy that included the Socialists in the national government and excluded the Liberals. Political and policy divisions with the center-left alignment culminated in 1976 in the dissolution of the parliament and early elections, ending the center-left period.

Above: Medieval Ponte Vecchio, the oldest bridge over the Arno River.

Left: View over the rooftops of Florence, Petrach's "Pearl of Cities."

After the elections, which saw a dramatic gain by the PCI, the PSI refused to return to coalition with the DC. No other solution being acceptable, Premier Andreotti formed the first of two DC minority governments that led Italy for 2 1/2 years, first with passive and later with active support by other parties, including the PCI. By late 1978, the ambivalence in this arrangement impelled the PCI to end its support. In ensuing early elections in 1979, the PCI lost a full four points and saw its 5-year-old "historic compromise" strategy—the goal of coming to power in coalition with the DC—slip further from its grasp. Governments since 1979 have returned to the earlier center-left pattern. In June 1981, the DC relinquished the prime ministry (to Republican Giovanni Spadolini) for the first time in the postwar period, although the DC remained the largest party in the governing coalition.

In August 1983, PSI leader Bettino Craxi became prime minister, remaining in that office for two terms until March 1987. The first term was longer than that served by any other Italian prime minister since the war. Early elections in June 1987, in which the PSI made strong gains and the PCI dropped to 26.9% of the vote, were followed by the formation of another five-party coalition government, led this time by Christian Democrat Giovanni Goria. The Goria

government fell in March 1988, and was succeeded by another Christian Democratic government led by the party's secretary, Ciriaco De Mita.

The Italian Communist Party

The Italian Communist Party is the largest nonruling party in the world and the second largest party in Italy after the Christian Democrats. Communist electoral strength had steadily increased in each succeeding national election to a high of 34.4% of the vote in 1976. Not until the four-point loss in 1979 did the communists drop back in national elections. Except for the immediate post-World War II period, the communists have been kept from participating in the national government, although they share power in many local administrations. Nevertheless, lively debate persists on the degree of "democratization" the communists may be undergoing and, hence, on the possibility of their eventual acceptability as government partners. Although the Communist Party has persuaded many Italians that if it came to power it would not seek to emulate Soviet-style communism, a majority of Italian political opinion remains skeptical of the PCI's true commitment to pluralist, democratic, pro-Western values.

Travel Notes

Clothing: Woolens and sweaters are practical most of the year; cottons are recommended for the hot summers.

Currency: Nonresidents can only leave the country with 1 million lire and 5 million lire worth of other currencies. Larger amounts may be exported as long as they have been declared upon entering the country.

Health: Medical facilities are available in cities. No special immunizations are necessary. Tapwater is safe. Meat, fruit, vegetables, and shellfish should be well prepared.

Telecommunications: Telephone and telegraph connections within Italy and to international points are good. Rome is six standard time zones ahead of eastern standard time.

Transportation: Many major international airlines have service to Rome and Milan. There is daily jet service to the United States. Public transportation is modern, efficient, and reasonably priced. Metered taxis are inexpensive and usually available at stands. Avoid unmetered taxis.

No Italian visa is required of American citizens visiting Italy temporarily for tourism or business trips. Persons planning to travel in Italy for work or other purposes should inquire about their visa status in advance at an Italian Embassy or consulate before traveling to Italy.

ECONOMY

The Italian economy has changed dramatically since the end of World War II. From an agriculturally based economy, it has developed into one of the top six industrial countries in the free world. Italy's economic importance is recognized in its inclusion in the Group of Seven countries. It is a member of the European Community and the OECD.

During the 1951–71 period, the change from an agricultural to an industrial economy was marked by high growth rates, averaging almost 6%. In the early 1970s, the growth of strong trade unions and social pressures led to a long period of sharp wage increases. These pressures, plus the effects of the 1973 oil crisis, created high inflation, balance-of-payments problems, squeezed business profits, and declining investment.

After a balance-of-payments crisis and recession in 1975, the economy quickly recovered, and growth resumed until 1980 when further oil price increases contributed to another downturn in economic activity.

The recession lasted until 1983, when economic growth once more began to pick up, averaging 3.2% during the 1984–88 period. Growth is expected to last at least through 1990, largely due to strong domestic demand reflected in growing consumer spending and investment outlays. Domestic demand has grown faster than domestic output. This would have led to a trade deficit causing authorities to brake the expansion, had not the terms of trade shifted sharply in the mid-1980s as a result of the drop in oil prices.

Italy's greatest economic challenge is to reduce its enormous budget deficit, which in 1988 was equal to 11.5% of the gross domestic product (GDP). This remains a high priority for the government as it prepares for the unification of the European market in 1992. Another problem is high unemployment, concentrated primarily among young and in the southern portion of the country.

The economy is largely in private hands, but the government runs many large enterprises and services, including the railroad, airlines, electricity, telephones, and large portions of the telecommunications network. The government also is a large employer, accounting for 15% of employment in 1988. In the same year, services accounted for 58% of GDP, industry 37%, and agriculture 5%.

Italy has few natural resources. Much of the land is unsuited for farming; therefore, it is a net food importer. There are no substantial deposits of iron, coal, or oil. Natural gas reserves, mainly in the Po Valley and offshore Adriatic, have grown in recent years and constitute the country's most important mineral resource. Most raw materials needed for manufacturing and more than 80% of the country's energy sources are imported. Italy's economic strength is in the processing and the manufacturing of goods, primarily in small, family-owned firms. Its major industries are precision machinery, motor vehicles, chemicals, pharmaceuticals, electrical goods, and fashion and clothing.

Foreign Trade

Italy has long been a trading country, reliant on imports of oil, other raw materials, and food as well as exports of manufactured goods such as machinery, textiles, and clothing. Imports have risen with higher living standards in recent years, and the price of oil also has a strong effect on the trade balance. Italy has been able to run small trade deficits in the past without great concern because it has always had very strong tourism receipts. This trend has moderated in the 1980s, as higher income levels have allowed more Italians to vacation abroad and European tourists have shifted to other southern European destinations. Also, strong domestic demand has caused imports to grow faster than exports in recent years, causing the trade deficit to widen.

Italy's closest trade ties are with the other countries of the European Community. In the 1980s, with the help of lower oil prices, Italy has reduced its trade with OPEC (Organization of Petroleum Exporting Countries) nations from a peak of 17% of total imports in 1981 to 6% for the first 11 months of 1988. In recent years, Italy has had a trade surplus with the United States, which accounted for 6% of Italian imports and 5% of Italian exports in 1988.

Labor

A rigid labor market and protective legislation for employed workers exacerbate unemployment in Italy, which remains its major problem, particularly among younger workers. Although skilled labor is in short supply in some categories, in-

efficient use of labor, structural unemployment, and underemployment persist, as does labor unreported for tax purposes.

About 28% of the labor force is unionized. The communist-dominated GCIL (Italian General Confederation of Labor) controls 46.9% of organized labor; the Christian Democratic-oriented CISL (Italian Confederation of Workers' Unions) about 34.8%, and the socialist-oriented UIL (Italian Union of Labor) about 18%.

FOREIGN RELATIONS

Italy has achieved its basic postwar objective of equality and partnership in the community of democratic nations. It was admitted to the United Nations in 1955. It is a member and strong supporter of the North Atlantic Treaty Organization (NATO), OECD, General Agreement on Tariffs and Trade (GATT), and the EC. Italy also is active in the Western European Union and the Council of Europe.

DEFENSE

A staunch NATO ally, Italy occupies an important strategic position in the Mediterranean, guarding the southern flank of Europe and serving as a bridge to North Africa and the Middle East. Recent Italian governments have taken a leading role among the Allies on such important defense initiatives as the deployment of intermediate-range nuclear forces. They also have recognized the need to enhance Italy's military posture and have taken significant steps in that direction.

U.S.-ITALIAN RELATIONS

The United States enjoys warm and friendly relations with Italy. The two are NATO allies and cooperate in the United Nations, in various regional organizations, and, bilaterally, for peace, prosperity, and defense. Italy has recently shown a willingness to work closely with the United States and others on issues beyond NATO's traditional area of responsibility, such as participating in Middle East peacekeeping and in combating terrorism.

Principal U.S. Officials

Ambassador (designate)—Peter F. Secchia
Deputy Chief of Mission—John W. Holmes
Economic Affairs—Daniel P. Serwer
Political Affairs—John S. Brims
Public Affairs—Jodie Lewinsohn
Commercial Affairs—Emilio Iodice
Agricultural Attache—Frank Piason
Treasury Attache—Llewellyn Pascoe
Defense Attache—Capt. Lawrence Ewerq, USN

Consular Posts
Consul General, Florence—Diane Dillard
Consul General, Genoa—Frank Tumminia
Consul General, Milan—John Boyle
Consul General, Naples—Emil P. Ericksen
Consul General, Palermo—Katherine Shirley

The U.S. Embassy in Italy is located at Via Veneto 119, Rome (tel. (6) 46741). ■

Further Information

These titles are provided as a general indication of material published on this country. The Department of State does not endorse unofficial publications.

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